


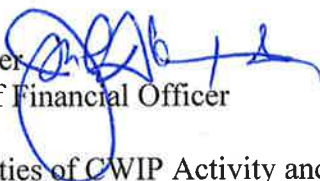


UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
OFFICE OF THE CHIEF FINANCIAL OFFICER

April 30, 2014

MEMORANDUM FOR: Chief Financial Officers
Management and Budget Chiefs
CWIP Activity Managers
CWIP Project Managers

FROM: Edward C. Horton 
Chief Administrative Officer

Jon Alexander 
Acting Chief Financial Officer

SUBJECT: Responsibilities of CWIP Activity and Project Managers

The purpose of this memo is to reiterate and remind NOAA personnel of the responsibilities of Construction Work In Progress (CWIP) Activity and Project Managers. CWIP was a significant deficiency this past year, a material weakness in FY 2013, and the subject of several audit management letter comments in the past.

Please forward this information to your respective staff and management to remind them of their responsibilities regarding CWIP.

Note – These responsibilities also apply to CWIP Activity and Project Managers assigned to Internal Use Software in Development (IUSD) activities.

All CWIP Activity Managers must:

1. Thoroughly understand the NOAA CWIP policy, which details all specifics listed in this memo, and can be found on the NOAA CWIP website listed below;
2. Complete mandatory CWIP training each fiscal year (Line/Staff Office Chief Financial Officers (L/SO CFOs)/M&B Chiefs will be notified of those who have not completed the mandatory training);
3. Include required CWIP critical element language incorporated into their performance plans;
4. Notify the Finance Office – Financial Statements Branch (FO-FSB) of the existence of a new CWIP activity;



5. Ensure a CWIP Determination Letter is completed at the start of the CWIP activity before any obligations are incurred;
6. Ensure all CWIP project codes are set up properly utilizing the unique CBS CWIP project code structure;
7. Ensure correct ACCS accounting codes are used (CWIP and non-CWIP) on all transactions to capture and allocate correctly all costs, both capital and expense;
8. Maintain a CWIP documentation file, in accordance with the NOAA CWIP Policy;
9. Submit cost adjustments for corrections, as needed;
10. Submit annual cost adjustments to record "Incidental and Administrative Costs" for the activity, if applicable;
11. Review monthly CWIP Activity Database reports posted to the NOAA CWIP website and advise the FO-FSB in a timely manner of any changes;
12. Ensure that the cost of the asset is accurately reported as CWIP by reconciling the CWIP balances monthly, using the required CWIP Reconciliation Template, for all costs in the CWIP Activity Manager's documentation file to the CBS CWIP Report (CA500D) by:
 - a. Ensuring completeness and accuracy for all CWIP balances,
 - b. Verifying the proper CBS project code structure,
 - c. Explaining anomaly balances and
 - d. Identifying and resolving any differences;
13. Ensure timely and accurate submissions of the monthly reconciliations and the NF 37-6(s) to the FO-FSB;
14. Ensure costs are properly reclassified as capitalized when the asset is placed in service, and when the asset is entered into the appropriate property system;
15. Ensure assignment of a barcode when a personal property CWIP asset is placed in service. (Note: Real property identification numbers are automatically assigned by the Federal Real Property Management (FRPM) System once the building occupancy date is entered in the system.);
16. Notify the FO-FSB via email when a CWIP/IUSD project code and/or activity is complete;
17. Upon notification by the CWIP Project Manager of a possible impairment, perform an analysis to determine if an impairment has occurred. If an impairment has occurred, provide the necessary information to the FO-FSB; and

18. Identify amounts prepaid or advanced for CWIP activities where work is not completed and notify the FO-FSB quarterly, using the Advance/Prepaid Amounts template, providing advanced amounts not completed.

In summary, CWIP Activity Managers have the overall responsibility for the financial and budgetary activities and the accuracy of the valuation of the CWIP asset(s).

All CWIP Project Managers must:

1. Thoroughly understand the NOAA CWIP policy, which details all specifics listed in this memo, and can be found on the NOAA CWIP website listed below;
2. Complete mandatory CWIP training each fiscal year (L/SO CFOs/M&B Chiefs will be notified of those who have not completed the mandatory training);
3. Include required CWIP critical element language incorporated into their performance plans;
4. Complete and provide CWIP Determination Letter to CWIP Activity Manager at the start of the CWIP activity before any obligations are incurred;
5. Prepare and revise, as necessary, a schedule of dates including design start, construction, placed in service date, and completion date of the CWIP activity and provide the schedule to the CWIP Activity Manager;
6. Submit all obligating documents (prior to obligation and authorization), award documents, related invoices and prepayment supporting documentation to the CWIP Activity Manager;
7. Immediately following when the asset has been placed in service, complete and provide documentation to the CWIP Activity Manager; and
8. Annually identify any significant event(s) or change(s) in circumstance that may indicate an impairment and submit the information to the CWIP Activity Manager.

In summary, CWIP Project Manager provides construction management support and CWIP documentation to the CWIP Activity Manager.

Detailed CWIP roles and responsibilities can be found on the NOAA CWIP website at <http://www.corporateservices.noaa.gov/finance/CWIP.html>.

Thank you for your continued diligence in this area. If you have any questions, please contact Mark P. Miller at (301) 444-2704.

cc: Joy Taylor
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